

LOCAL MARKETING AGREEMENT

This Local Marketing Agreement ("Agreement") is executed this 22 day of January, 1994, by and between Cavan Communications Corporation, a Maine Corporation ("Cavan") and Lobster Radio Network Inc., a Maine Corporation ("Lobster").

RECITALS

Cavan owns and operates Stations WTMS(AM) and WTMS(FM), Presque Isle, Maine, pursuant to licenses and authorizations issued by the Federal Communications Commission ("FCC");

Lobster is a company with broadcast management and expertise in radio operations in the Presque Isle market and which seeks to provide broadcast programming over the facilities of Station WTMS(AM) ("Station") pursuant to and consistent with the radio duopoly rules of the FCC, and with those policies established by Cavan as the licensee of the Station;

AGREEMENTS

In consideration of the above recitals and of the mutual agreements and covenants contained herein, Cavan and Lobster intending to be bound legally, agree as follows:

1. TERM

Cavan shall make available to Lobster substantially all of the Station's air time as set forth in this Agreement, provided however, that Cavan may set aside such time as it may require for the broadcast of regularly scheduled news, public affairs and other programming as set forth below in Section 4.2. The term of this Agreement commenced February 1, 1994, and shall continue in effect until terminated pursuant to Section II.

2. TERMINATION

(a) Illegality. This Agreement may be terminated by either Cavan or Lobster, by written notice to the other, if:

(1) this Agreement has been declared invalid or illegal in whole or substantial part by an order or decree of an administrative agency or court of competent jurisdiction and the applicability of such order or decree has not been stayed pending

further administrative or judicial review; or

(2) there has been a change in the Communications Act or Rules of the FCC that causes this Agreement to be in violation thereof and the applicability of such change has not been stayed pending appeal or further administrative review.

(b) Breach. In addition to other remedies available at law or equity, this Agreement may be terminated by either party, by written notice to the other, if the terminating party is not then in material default under this Agreement and the other party is in material default under this Agreement and has failed to cure such default within ten (10) days after receiving notice of breach from the terminating party.

(c) Six Months' Notice. This Agreement may be terminated by either Cavan or Lobster, by six months written notice to the other, at any time after the first anniversary of the beginning of the term of this Agreement.

(d) Mutual Agreement. This Agreement may be terminated at any time by mutual written agreement of the parties.

(e) Automatic Termination. This Agreement will terminate automatically upon the purchase of the Station by Lobster.

3. CONSIDERATION

3.1 Consideration. As consideration for the broadcast time made available under this Agreement, Lobster shall make payments to Cavan in the amount specified in Attachment I, subject to Section 3.2. Payments shall be made monthly on the 1st day of each calendar month, by check delivered to Cavan at its studios in Presque Isle. If this Agreement is terminated, Cavan and Lobster shall immediately adjust on a pro rata basis the remainder of the payment due and Lobster shall pay such amount within ten days following termination of the Agreement.

4. USE OF STATION AIR TIME

4.1 Scope of Agreement. During the term hereof, Cavan shall make available to Lobster all air time on the Station, other than time reserved to or permitted to be used by Cavan in accordance with Section 4.2. Lobster shall provide at its own cost and expense entertainment programming of its selection, complete with commercial matter, news, public service announcements, and other suitable programming. Lobster shall deliver such programming at

its own cost and expense to the Station's transmitter facilities or other authorized remote control points as reasonably designated by Cavan. Cavan shall also provide Lobster with access to, and Lobster shall have full use of, the Station's complete facilities, including the studios and broadcast equipment, free from hindrance from any Person, for the production of programming for the Station.

4.2 Air Time Reserved by Cavan. The parties recognize that Cavan has certain obligations to broadcast programming to meet the needs and interests of the Station's community of license, and nothing in this Agreement shall abrogate the unrestricted authority of Cavan to discharge its obligation to the public and the Communications Act of 1934. Accordingly, and notwithstanding Section 4.1:

(a) Cavan may use such time as it may require for the broadcast of its own regularly scheduled news, public affairs, and other non-entertainment programming.

(b) Upon three weeks notice to Lobster, Cavan may elect to set aside additional hours of air time per broadcast week, to be scheduled at a mutually agreeable time for the broadcast of specific non-entertainment programming on issues of importance to the local community.

(c) Although both parties shall cooperate in the broadcast of emergency information over the Station, Cavan shall have the right to interrupt Lobster's programming for programming that, in the reasonable good faith judgment of Cavan, better serves the public interest.

4.3 Exclusivity. All air time not used by Cavan in accordance with Section 4.2 shall be available for use by Lobster and no other person. During the term of this Agreement, Cavan will not enter into any other time brokerage, program provision, local marketing, or similar agreement relating to the Station with any Person.

5. PROGRAMMING POLICIES

5.1 Policy Statement. Cavan has adopted and will enforce a Policy Statement, which may be amended from time to time by Cavan in its reasonable discretion upon notice to Lobster. In providing programming for broadcast on the Station, including advertising spots and promotional material or announcements, Lobster agrees to comply in all material respects with the Policy Statement and the Communications Act. Cavan shall have the right, upon prior written notice to Lobster, to reject or refuse any portions of Lobster's programming that Cavan reasonably believes to be unsatisfactory,

unsuitable, or contrary to the public interest, and to suspend or cancel any program supplied by Lobster that it reasonably determines does not comply with the Policy Statement.

5.2 Compliance with Copyright Act. Lobster shall not broadcast any material on the Station in violation of the Copyright Act or the rights of any person. All music supplied by Lobster shall be (a) licensed by a music licensing agent such as ASCAP, BMI or SESAC; (b) in the public domain; or (c) cleared at the source by Lobster. Lobster shall retain the exclusive right to use and to authorize the use in any manner of any programming licensed to it. Cavan shall not be required to pay any music licensing fees or other similar expenses in connection with the material broadcast by Lobster on the Station in excess of those calculated upon the estimated revenues of the Station, as determined by Cavan and Lobster, and Lobster shall be responsible for any such fees in excess of that amount. Cavan shall be responsible for any music licensing fees required in connection with material broadcast by Cavan in accordance with Section 4.2.

5.3 Political Advertising. Lobster shall cooperate with Cavan to assist Cavan in complying with the provisions of the Communications Act of 1934 regarding political advertising. Lobster shall supply such information promptly to Cavan as may be necessary to comply with the lowest unit rate, equal opportunities, and reasonable access requirements of the Communications Act of 1934. If the Station fails to meet its political time obligations under the Communications Act of 1934 based on the advertising sold by Lobster in the programming material provided by Lobster, then to the extent reasonably necessary to enable Cavan to cause the Station to comply with its political time obligations, Lobster shall release advertising availabilities to Cavan; provided, however, that the net revenues (after payment of customary sales commissions and other costs reasonably incurred in selling such advertising time) realized by Cavan from the sale of such advertising time shall be immediately paid to Lobster.

5.4 Payola-Plugola. Lobster agrees that it will not accept any consideration whatsoever, regardless of its value or form, including a commission, discount, bonus, material, supplies or other merchandise, services, or labor, whether or not pursuant to written contracts or agreements between Lobster and merchants or advertisers, unless the payer is identified in the program for which consideration was provided as having paid for or furnished such consideration, in accordance with the Communications Act of 1934. Lobster agrees to execute and deliver to Cavan, from time to time at the request of Cavan, a Payola Affidavit substantially in the form attached hereto at Attachment III, and to provide similar

affidavits from its employees and agents who are engaged in the provision of programming to the Station.

5.5 Cooperation on Programming. Cavan and Lobster will cooperate reasonably in an effort to avoid conflicts regarding the programming on the Station and to ensure that the Station's programming conforms with the Policy Statement and the Communications Act of 1934.

6. OTHER OBLIGATIONS OF THE PARTIES

6.1 Operation of the Station. Cavan will have full authority, power, and control over the operations of the Station during the term of this Agreement, in accordance with and subject to the following:

(a) Cavan will bear all responsibility for the Station's compliance with all applicable provisions of the Communications Act of 1934, and all other applicable laws, rules and regulations. Cavan will file in a timely and complete manner all reports and applications required to be filed with the FCC or any other governmental body.

(b) Cavan shall continue to maintain a main studio, as that term is defined by the FCC, within the Station's principal community contours, shall maintain its local public inspection file within the city limits of Presque Isle, and shall prepare and place in such inspection file or files its quarterly issues and program lists on a timely basis in compliance with the Rules and Regulations of the FCC.

(c) Cavan shall maintain the station logs, receive and respond to telephone inquiries, and control and oversee any remote control point for the Station.

(d) Cavan shall employ, at its expense, such employees to direct the day-to-day operations of the Station as may be necessary to comply with the Rules and Regulations of the FCC regarding main studio staffing and such additional personnel as shall be necessary to enable Cavan to perform its obligations under this Agreement. All such employees will report to and be accountable solely to Cavan. Cavan agrees that its personnel may assist Lobster in providing administrative and engineering services to the extent such services do not interfere from their regular duties to Cavan. Cavan shall notify Lobster promptly of any change in the Station's management personnel.

(e) Cavan shall maintain in effect policies of insurance

that (1) shall be adequate in amount with respect to and for the full value (subject to customary deductibles) of, the assets of the Station, and (2) shall insure the assets and the business of the Station against all foreseeable risk.

(f) Cavan shall cause the Station's transmitting facilities to be maintained at all times in accordance with good engineering practice and with all engineering requirements set forth in the Station's FCC authorizations, including broadcasting a high quality signal at maximum authorized power and ERP (except at such time where reduction of power is required for routine or emergency maintenance).

(g) Cavan shall be solely responsible for and shall pay in a timely manner all operating costs of the Station (other than the costs to be borne by Lobster in accordance with Sections 4.1, 5.2, and 6.2), including costs of maintaining the studio and transmitting facilities, the cost of electricity and other utilities, rental payments, taxes, and the salaries, taxes, insurance, and related costs for all personnel employed by Cavan relating to the Station.

6.2 Rights and Responsibilities of Dynamic. Lobster shall be responsible for sales and programming of the Station in accordance with the following provisions:

(a) Except as provided in Section 5.3 herein, as of February 1, 1994, Lobster shall retain all revenues from its sale of advertising time on the Station and Cavan shall retain all revenues from its sale of advertising time on the Station prior to February 1, 1994. Lobster shall be responsible for payment of the commissions due to any national sales representative engaged by Lobster for the purposes of selling national advertising to be carried during its programming.

(b) Lobster shall be solely responsible for any expenses incurred in the origination and delivery of programming from any remote location and for any publicity or promotional expenses incurred by Lobster.

(c) Lobster shall employ and be solely responsible for the salaries, taxes, and related costs for all personnel used in the production of its programming and the sale of advertising time on the Station (including sales people, traffic personnel, board operators, and programming staff).

7. REPRESENTATIONS AND WARRANTIES OF CAVAN

Cavan represents and warrants to Lobster as follows:

7.1 Authorization and Binding Obligation. This Agreement has been duly executed and delivered by Cavan and constitutes the legal, valid and binding obligation of Cavan, enforceable against Cavan in accordance with its terms except as the enforceability hereof may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

7.2 Absence of Conflicting Agreements or Consents. The execution, delivery, and performance of this Agreement and the documents contemplated hereby (with or without giving of notice, the lapse of time or both): (a) do not require the consent of any governmental or regulatory authority or any other Person; (b) will not conflict with the Articles of Incorporation or by-laws of Cavan; (c) will not conflict with, result in a breach of, or constitute a default under any law, judgment, order, ordinance, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality; (d) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of any agreement, instrument, license, or permit to which Cavan is a party or by which Cavan may be bound; and (e) will not create any claim, lien, charge, or encumbrance upon any of the assets of the Station.

7.3 Authorizations. Subject to the license revocation hearing referred to below, Cavan is the authorized legal holder of all licenses, permits, and other authorizations required from governmental and regulatory authorities for the lawful construction of the Station and the lawful conduct of the business of the Station in the manner and to the full extent it is or will be conducted, all of those licenses, permits, and other authorizations are in full force and effect, and none of the licenses, permits, and other authorizations is subject to any restriction or condition that would limit the operations of the Station as they are or will be conducted. However, the parties acknowledge that there is now pending a license revocation hearing on the WTMS(AM) license before the FCC and that the favorable resolution of that proceeding is a condition precedent toward the implementation of this Agreement.

8. REPRESENTATIONS AND WARRANTIES OF LOBSTER

Lobster represents and warrants to Cavan the following:

8.1 Authorization and Binding Obligation. The execution, delivery, and performance of this Agreement by Lobster have been

duly authorized by all necessary corporate action on the part of Lobster. This Agreement has been duly executed, and delivered by Lobster and constitutes a legal, valid, and binding obligation of Lobster, enforceable against Lobster in accordance with its terms except as the enforceability hereof may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

8.2 Absence of Conflicting Agreements and Required Consents. The execution, delivery, and performance of this Agreement and the documents contemplated hereby by Lobster (with or without the giving of notice, the lapse of time, or both); (a) do not require the consent of any governmental or regulatory authority or any other Person; (b) will not conflict with the Articles of Incorporation or by-laws of Lobster; (c) will not conflict with, result in a breach of, or constitute a default under, any law, judgment, order, ordinance, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality; and (d) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any agreement, instrument, license or permit to which Lobster is a party or by which Lobster may be bound.

9. INDEMNIFICATION AND REMEDIES

9.1 Indemnification by Cavan. Regardless of any investigation made at any time by or on behalf of Lobster or any information Lobster may have, Cavan hereby agrees to indemnify and hold Lobster harmless against and with respect to, and shall reimburse Lobster for:

(a) Any losses, liabilities, or damages resulting from any untrue representation, breach of warranty, or nonfulfillment of any covenant by Cavan contained herein.

(b) Any obligation or liability arising under any contract, lease, or other agreement entered into by Cavan.

(c) Any losses, liabilities, damages, or FCC forfeitures arising out of any programming broadcast by Cavan on the Station, including those resulting from any claim for defamation.

(d) Any assessments, judgments, costs, and expenses, including reasonable legal fees and expenses, incident to any of the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof, or in enforcing this indemnity.

9.2 Indemnification by Lobster. Regardless of any investigation made at any time by or on behalf of Cavan, or any information Cavan may have, Lobster hereby agrees to indemnify and hold Cavan harmless against and with respect to, and shall reimburse Cavan for:

(a) Any and all losses, liabilities, or damages resulting from any untrue representation, breach of warranty, or nonfulfillment of any covenant by Lobster contained herein.

(b) Any obligation or liability arising under any contract, lease, or other agreement entered into by Lobster.

(c) Any losses, liabilities, damages, or FCC forfeitures arising out of any programming broadcast by Lobster on the Station, including those resulting from any claim for defamation.

(d) Any assessments, judgments, costs, and expenses, including reasonable legal fees and expenses, incident to any of the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof, or in enforcing this indemnity.

9.3 Attorneys' Fees. In the event of the filing by either party of a lawsuit for any remedy available under this Agreement, the prevailing party shall be entitled to reimbursement from the other party of its reasonable legal fees and expenses.

10. OPTION TO PURCHASE

10.1 Cavan and Lobster agree and acknowledge that as part of the consideration exchanged hereunder, that Cavan grants to Lobster the option to purchase all assets used and useful in the operation of the Station (the "Station Assets") for a total consideration of Thirty Five Thousand Dollars (\$35,000.00). Such option shall be for a period of one year and shall be exercisable at the sole discretion of Lobster. The exercise of this option shall permit Lobster to purchase the assets on terms to be agreed to by the parties.

CONTRIBUTIONS TO REPAIRS

11. Cavan has undertaken an engineering review and technical assessment of the physical facilities of the Station and has been advised that approximately Fifty Five Hundred Dollars (\$5,500.00) in equipment and repairs will be required to return the station to operating condition in compliance with the technical requirements

of the FCC. Cavan and Lobster agree to share in such necessary expenditures up to a total of Six Thousand Dollars (\$6,000.00). Cavan will also supply the engineering services of its staff which may be required to install new equipment and test the performance of the station. The parties agree that time is of the essence and that such repairs shall get underway immediately. The parties further agree that one of the primary objectives of this agreement is to return the Station to operation within sixty (60) days of the execution of this Agreement.

12. MISCELLANEOUS

12.1 Fees and Expenses. Except as otherwise provided in this Agreement, each party shall pay her or its own expenses incurred in connection with the authorization, preparation, execution, and performance of this Agreement, including all fees and expenses of counsel, accountants, agents, and representatives and including any ad valorem taxes, if any, that may be assessed on such party's property.

12.2 Notices. All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be in writing and shall be addressed as follows:

If to Cavan:	Cavan Communications Corporation Attn: Walter S. Hamsher, II 1942 Rockingham McLean, Virginia 22101
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If to Lobster	Lobster Radio Network, Inc Attn: Kevin Schmersal 42 West Street Bangor, Maine 04401
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A notice mailed by registered or certified mail, postage prepaid and return receipt requested, shall be deemed to have been duly delivered and received on the date of receipt shown on the return envelope.

12.3 Benefit and Binding Effect. Neither party may assign this Agreement without the prior written consent of the other party. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

and execute any other documents that may be necessary or desirable to the implementation and consummation of this Agreement.

12.5 Governing Law. This Agreement shall be governed, construed, and enforced in accordance with the laws of the State of Maine.

12.6 Headings. The headings herein are included for ease of reference only and shall not control or affect the meaning or construction of the provisions of this Agreement.

12.7 Entire Agreement. This Agreement and the Attachments collectively represent the entire understanding and agreement between Cavan and Lobster with respect to the subject matter hereof. This Agreement supersedes all prior negotiations between the parties and cannot be amended, supplemented, or changed except by an agreement in writing that makes specific reference to this Agreement and that is signed by the party against which enforcement of any such amendment, supplement, or modification is sought, except that Cavan may waive any provision of the Policy Statement orally.

12.8 Counterparts. This Agreement may be signed in counterparts with the same effect as if the signature on each counterpart were upon the same instrument.

12.9 Severability. If any provision of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforce to the greatest extent permitted by law.

12.10 Miscellaneous. No attempted waiver of compliance with any provision or condition hereof, or consent pursuant hereto, will be effective unless evidenced by an instrument in writing by the party against whom the enforcement of any such waiver or consent is sought. Time is of the essence with respect to all obligations by the parties hereunder. This agreement may be amended only by an instrument in writing executed by the party against whom enforcement of the amendment is sought.

12.11 FCC Filings. The Parties agree to execute and file such copies of this Agreement and other Applications as may be necessary to comply with the Rules and Regulations of the FCC and obtain whatever approvals may be deemed necessary.

IN WITNESS WHEREOF, this Agreement has been executed by
Cavan and Lobster as of the date first written above.

CAVAN COMMUNICATIONS CORPORATION


J. Dominic Monahan, President

LOBSTER RADIO NETWORK, INC.


Kevin Schmursal, President

Attachment L

Cavan Communications Corporation
160 Airport Road
Presque Isle, Maine 04769

207-768-4151

February 11, 1994

Federal Communications Commission
Mass Media Services
P.O. Box 358165
Pittsburgh, Pennsylvania

Re: Request for Change of Call Sign for
Station WTMS(AM) to WEGP, Presque Isle, Me

Dear Sir/Madam:

Pursuant to Section 73.3550 of the Commission's Rules, Cavan Communications Corporation, the licensee of Station WTMS(AM), Presque Isle, Maine, respectfully requests that its call sign be changed to WEGP.

Cavan Communications Corporation certifies that neither it nor any party to the request is subject to the denial of federal benefits under Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. §853A.

A check made payable to the Federal Communications Commission in the amount of \$55.00 is attached hereto to cover the prescribed filing fee.

An extra copy of this letter is enclosed together with a pre-addressed stamped envelope. Please confirm receipt of this letter with your date stamp and return to the undersigned in the enclosed envelope.

Should additional information be required concerning this request, please contact the undersigned at 503-484-6847.

Respectfully submitted,

CAVAN COMMUNICATIONS CORPORATION


J. Dominic Monahan, President

Attacnment M

Attachment N

CAVAN COMMUNICATIONS
BALANCE SHEET
AS OF DECEMBER 31, 1993

ASSETS

Cash		11,468	
Accounts receivable	998		
Reserve for bad debts	(998)		

			0
Fixed assets			
Land & improvements	14,332		
Buildings	122,715		
Transmitter equipment	168,966		
Studio technical equip	95,849		
Office equipment	16,349		

	418,211		
Acc. depreciation	(241,470)		

		176,741	
Other assets			
FCC license	25,000		
Utility deposit	1,350		

		26,350	

TOTAL ASSETS			214,559
			=====

LIABILITIES AND
STOCKHOLDERS' EQUITY

Accounts payable	37,532		
Taxes withheld & payable	791		

		38,323	
Note Payable-Bank	269,547		
Note payable-Stockholders	305,663		

		575,210	
Stockholders' Equity			
Capital Stock	73,750		
Paid in capital	125,000		
Retained earnings	(603,277)		
Net income	5,553		

		(398,974)	

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY			214,559
			=====

CAVAN COMMUNICATIONS
INCOME STATEMENT
DECEMBER 31, 1993

REVENUES

Operating	148,410
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EXPENSES

Salaries	32,681
Electricity	26,538
Tubes	2,812
Repairs & maintenance	7,367
Outside engineering	2,410
Depreciation	15,000
Agency Commissions	1,825
Interest	23,627
Payroll taxes	4,817
Property taxes	5,469
Utilities	2,236
Telephone	2,368
Office supplies & expense	2,941
Insurance	3,867
Rent	4,732
Travel & ent.	644
Royalties	1,043
Miscellaneous	2,480

	142,857

Net income

5,553
=====

**CAVAN COMMUNICATIONS
BALANCE SHEET
AS OF DECEMBER 31, 1991**

ASSETS

Cash		6,687	
Accounts receivable			
Trade	12,177		
Cash	87,224		
Reserve for bad debts	(5,000)		
		<hr/>	
		94,401	
		<hr/>	
			101,088
Fixed assets			
Land & improvements	14,332		
Buildings	122,715		
Transmitter equipment	168,966		
Studio technical equip	95,849		
Van	8,322		
Office equipment	16,349		
		<hr/>	
		426,533	
Acc. depreciation		(208,692)	
		<hr/>	
			217,841
Other assets			
FCC license		25,000	
Utility deposit		1,350	
		<hr/>	
			26,350
		<hr/>	
TOTAL ASSETS			345,279
			<hr/>

**LIABILITIES AND
STOCKHOLDERS' EQUITY**

Accounts payable	105,452	
Taxes withheld & payable	325	
	<hr/>	
		105,777
Notes Payable		
Bank	316,845	
Stockholders	282,609	
	<hr/>	
		599,454
	<hr/>	

705,231

Stockholders' Equity

Capital Stock

73,750

Paid-in capital

125,000

Retained earnings

(473,344)

Net loss

(85,358)

(359,952)

TOTAL LIABILITIES

AND STOCKHOLDERS' EQUITY

345,279

DOCKET FILE COPY ORIGINAL

LOCAL MARKETING AGREEMENT

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RECITALS

Cavan owns and operates Stations WEGP(AM) and WTMS(FM), Presque Isle, Maine, pursuant to licenses and authorizations issued by the Federal Communications Commission ("FCC");

Lobster is a company with broadcast management and expertise in radio operations in the Presque Isle market and which seeks to provide broadcast programming over the facilities of Station WEGP(AM) ("Station") pursuant to and consistent with the radio duopoly rules of the FCC, and with those policies established by Cavan as the licensee of the Station;

AGREEMENTS

In consideration of the above recitals and of the mutual agreements and covenants contained herein, Cavan and Lobster intending to be bound legally, agree as follows:

1. TERM

Cavan shall make available to Lobster substantially all of the Station's air time as set forth in this Agreement, provided however, that Cavan may set aside such time as it may require for the broadcast of regularly scheduled news, public affairs and other programming as set forth below in Section 4.2. The term of this Agreement shall commence April 1, 1994, and shall continue in effect until terminated pursuant to Section II.

2. TERMINATION

(a) Illegality. This Agreement may be terminated by either Cavan or Lobster, by written notice to the other, if:

(1) this Agreement has been declared invalid or illegal in whole or substantial part by an order or decree of an administrative agency or court of competent jurisdiction and the applicability of such order or decree has not been stayed pending

further administrative or judicial review; or

(2) there has been a change in the Communications Act or Rules of the FCC that causes this Agreement to be in violation thereof and the applicability of such change has not been stayed pending appeal or further administrative review.

(b) Breach. In addition to other remedies available at law or equity, this Agreement may be terminated by either party, by written notice to the other, if the terminating party is not then in material default under this Agreement and the other party is in material default under this Agreement and has failed to cure such default within ten (10) days after receiving notice of breach from the terminating party.

(c) Ninety Days' Notice. This Agreement may be terminated by either Cavan or Lobster, by ninety days (90) written notice to the other, at any time after the beginning of the term of this Agreement.

(d) Mutual Agreement. This Agreement may be terminated at any time by mutual written agreement of the parties.

(e) Automatic Termination. This Agreement will terminate automatically upon the purchase of the Station by Lobster.

3. CONSIDERATION

3.1 Consideration. As consideration for the broadcast time made available under this Agreement, Lobster shall make payments to Cavan in the amount specified in Attachment I, subject to Section 3.2. Payments shall be made monthly on the 1st day of each calendar month, by check delivered to Cavan at its studios in Presque Isle. If this Agreement is terminated, Cavan and Lobster shall immediately adjust on a pro rata basis the remainder of the payment due and Lobster shall pay such amount within ten days following termination of the Agreement.

4. USE OF STATION AIR TIME

4.1 Scope of Agreement. During the term hereof, Cavan shall make available to Lobster all air time on the Station, other than time reserved to or permitted to be used by Cavan in accordance with Section 4.2. Lobster shall provide at its own cost and expense entertainment programming of its selection, complete with commercial matter, news, public service announcements, and other suitable programming. Lobster shall deliver such programming at

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4.2 Air Time Reserved by Cavan. The parties recognize that Cavan has certain obligations to broadcast programming to meet the needs and interests of the Station's community of license, and nothing in this Agreement shall abrogate the unrestricted authority of Cavan to discharge its obligation to the public and the Communications Act of 1934. Accordingly, and notwithstanding Section 4.1:

(a) Cavan may use such time as it may require for the broadcast of its own regularly scheduled news, public affairs, and other non-entertainment programming.

(b) Upon three weeks notice to Lobster, Cavan may elect to set aside additional hours of air time per broadcast week, to be scheduled at a mutually agreeable time for the broadcast of specific non-entertainment programming on issues of importance to the local community.

(c) Although both parties shall cooperate in the broadcast of emergency information over the Station, Cavan shall have the right to interrupt Lobster's programming for programming that, in the reasonable good faith judgment of Cavan, better serves the public interest.

4.3 Exclusivity. All air time not used by Cavan in accordance with Section 4.2 shall be available for use by Lobster and no other person. During the term of this Agreement, Cavan will not enter into any other time brokerage, program provision, local marketing, or similar agreement relating to the Station with any Person.

5. PROGRAMMING POLICIES

5.1 Policy Statement. Cavan has adopted and will enforce a Policy Statement, which may be amended from time to time by Cavan in its reasonable discretion upon notice to Lobster. In providing programming for broadcast on the Station, including advertising spots and promotional material or announcements, Lobster agrees to comply in all material respects with the Policy Statement and the Communications Act. Cavan shall have the right, upon prior written notice to Lobster, to reject or refuse any portions of Lobster's programming that Cavan reasonably believes to be unsatisfactory,

unsuitable, or contrary to the public interest, and to suspend or cancel any program supplied by Lobster that it reasonably determines does not comply with the Policy Statement.

5.2 Compliance with Copyright Act. Lobster shall not broadcast any material on the Station in violation of the Copyright Act or the rights of any person. All music supplied by Lobster shall be (a) licensed by a music licensing agent such as ASCAP, BMI or SESAC; (b) in the public domain; or (c) cleared at the source by Lobster. Lobster shall retain the exclusive right to use and to authorize the use in any manner of any programming licensed to it. Cavan shall not be required to pay any music licensing fees or other similar expenses in connection with the material broadcast by Lobster on the Station in excess of those calculated upon the estimated revenues of the Station, as determined by Cavan and Lobster, and Lobster shall be responsible for any such fees in excess of that amount. Cavan shall be responsible for any music licensing fees required in connection with material broadcast by Cavan in accordance with Section 4.2.

5.3 Political Advertising. Lobster shall cooperate with Cavan to assist Cavan in complying with the provisions of the Communications Act of 1934 regarding political advertising. Lobster shall supply such information promptly to Cavan as may be necessary to comply with the lowest unit rate, equal opportunities, and reasonable access requirements of the Communications Act of 1934. If the Station fails to meet its political time obligations under the Communications Act of 1934 based on the advertising sold by Lobster in the programming material provided by Lobster, then to the extent reasonably necessary to enable Cavan to cause the Station to comply with its political time obligations, Lobster shall release advertising availabilities to Cavan; provided, however, that the net revenues (after payment of customary sales commissions and other costs reasonably incurred in selling such advertising time) realized by Cavan from the sale of such advertising time shall be immediately paid to Lobster.

5.4 Payola-Plugola. Lobster agrees that it will not accept any consideration whatsoever, regardless of its value or form, including a commission, discount, bonus, material, supplies or other merchandise, services, or labor, whether or not pursuant to written contracts or agreements between Lobster and merchants or advertisers, unless the payer is identified in the program for which consideration was provided as having paid for or furnished such consideration, in accordance with the Communications Act of 1934. Lobster agrees to execute and deliver to Cavan, from time to time at the request of Cavan, a Payola Affidavit substantially in the form attached hereto at Attachment III, and to provide similar

affidavits from its employees and agents who are engaged in the provision of programming to the Station.

5.5 Cooperation on Programming. Cavan and Lobster will cooperate reasonably in an effort to avoid conflicts regarding the programming on the Station and to ensure that the Station's programming conforms with the Policy Statement and the Communications Act of 1934.

6. OTHER OBLIGATIONS OF THE PARTIES

6.1 Operation of the Station. Cavan will have full authority, power, and control over the operations of the Station during the term of this Agreement, in accordance with and subject to the following:

(a) Cavan will bear all responsibility for the Station's compliance with all applicable provisions of the Communications Act of 1934, and all other applicable laws, rules and regulations. Cavan will file in a timely and complete manner all reports and applications required to be filed with the FCC or any other governmental body.

(b) Cavan shall continue to maintain a main studio, as that term is defined by the FCC, within the Station's principal community contours, shall maintain its local public inspection file within the city limits of Presque Isle, and shall prepare and place in such inspection file or files its quarterly issues and program lists on a timely basis in compliance with the Rules and Regulations of the FCC.

(c) Cavan shall maintain the station logs, receive and respond to telephone inquiries, and control and oversee any remote control point for the Station.

(d) Cavan shall employ, at its expense, such employees to direct the day-to-day operations of the Station as may be necessary to comply with the Rules and Regulations of the FCC regarding main studio staffing and such additional personnel as shall be necessary to enable Cavan to perform its obligations under this Agreement. - All such employees will report to and be accountable solely to Cavan. Cavan agrees that its personnel may assist Lobster in providing administrative and engineering services to the extent such services do not interfere from their regular duties to Cavan. Cavan shall notify Lobster promptly of any change in the Station's management personnel.

(e) Cavan shall maintain in effect policies of insurance